

Message Text

LIMITED OFFICIAL USE

PAGE 01 SANTIA 11645 081431Z

70

ACTION ARA-10

INFO OCT-01 ISO-00 CIAE-00 DODE-00 INR-07 NSAE-00 PA-01

USIA-06 PRS-01 SP-02 COME-00 EB-07 LAB-04 SIL-01

AID-05 TRSE-00 /045 W

----- 043230

R 081350Z DEC 76

FM AMEMBASSY SANTIAGO

TO SECSTATE WASHDC 2513

LIMITED OFFICIAL USE SANTIAGO 11645

EO 11652: NA

TAGS: CI, ELAB

SUBJ: GOC REWARDS TRADE UNION SUPPORTERS

REF: SANTIAGO 11535

1. SUMMARY: PRESIDENT PINOCHET MET WITH SELECTED TRADE UNION LEADERS IN AN OBVIOUS ATTEMPT TO REWARD HIS SUPPORTERS IN THE TRADE UNION MOVEMENT. HE TOLD THEM THE GOVERNMENT WAS RAISING THE MINIMUM WAGE FOR GOVERNMENT EMPLOYEES, AS HE HAD PROMISED IN HIS SEPTEMBER 11 SPEECH, AND ORDERING THE CHRISTMAS BONUS PAID EARLY THIS YEAR. THE UNION LEADERS ANNOUNCED THAT THEY WERE FORMING A NEW UMBRELLA ORGANIZATION, WHICH PRESUMABLY WILL RIVAL THE "DINAMICOS." END SUMMARY.

2. PRESIDENT PINOCHET MET WITH A GROUP OF SELECTED LABOR LEADERS DECEMBER 1 TO OPEN A DIALOGUE WITH PRO-GOVERNMENT REPRESENTATIVES OF THE WORKING PEOPLE. PINOCHET ANNOUNCED AT THE MEETING THAT THE JUNTA WAS ABOLISHING THE LOWER THREE GRADES OF THE GOVERNMENT SALARY SCALE ("ESCALA UNICA") EFFECTIVE JANUARY 1, 1977, WHICH WOULD RESULT IN AN 80 PERCENT RAISE OF THE MINIMUM WAGE FOR GOVERNMENT EMPLOYEES -- FROM 600 PESOS (\$37) A MONTH TO ONE THOUSAND (\$60). ABOUT ONE-THIRD OF THE 380,000 GOVERNMENT EMPLOYEES ARE IN THESE THREE GRADES. FINANCE MINISTER CAUAS EXPANDED ON THIS ANNOUNCEMENT ON DECEMBER 2 (SANTIAGO 11535), SAYING THAT THE ENTIRE GOVERNMENT SALARY SCALE WOULD BE LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 SANTIA 11645 081431Z

ADJUSTED UPWARD TO GIVE AN AVERAGE WAGE INCREASE OF 12.2

PERCENT. CAUAS ADDED THAT A 1.5-2 PERCENT STEP INCREASE WOULD BE BUILT INTO THE NEW WAGE SCHEDULE BEGINNING OCTOBER 1977. PINOCHET ALSO TOLD THE LABOR LEADERS THAT THE TRADITIONAL CHRISTMAS BONUS WOULD BE A MINIMUM ONE HUNDRED PESOS(\$6.03) FOR EVERY WORKER AND EACH DEPENDENT, TO BE PAID BEFORE DECEMBER 15. THIS IS ALMOST TRIPLE LAST YEAR'S INSIGNIFICANT BONUS (\$2.15).

3. AFTER THE MEETING, GUILLERMO MEDINA, LABOR REPRESENTATIVE ON THE COUNCIL OF STATE, TOLD THE PRESS THAT THE 14 PARTICIPANTS AT THIS MEETING WERE FORMING A NEW GROUP TO MAINTAIN THE DIALOGUE WITH THE PRESIDENT. CALLED COUNCIL OF (TRADE UNION) FEDERATIONS, THIS GROUP WOULD SEND A MEMORANDUM TO THE PRESIDENT LISTING ALL PENDING PROBLEMS AND GRIEVANCES, AND WOULD FOLLOW UP WITH THE MINISTER OF LABOR.

4. IN AN ATTEMPT TO ATTRACT A WIDER MEMBERSHIP, 11 MEMBERS OF THIS GROUP, PLUS LEADERS FROM THREE ADDITIONAL UNIONS, ANNOUNCED DECEMBER 3 THAT THEY WERE FORMING A NEW NATIONAL UNION OF WORKERS UNDER THE LEADERSHIP OF BERNARDINO CASTILLO, THE GOVERNMENT-APPOINTED PRESIDENT OF THE COPPER WORKERS CONFEDERATION. CASTILLO EXTENDED AN INVITATION TO ALL CHILEAN UNIONS TO JOIN. HE SAID THE GOVERNMENT HAD NOT PLACED ANY OBSTACLE IN THE WAY OF FORMING THIS ORGANIZATION, A FACT WHICH SHOWS THAT THERE IS FREEDOM TO ORGANIZE IN CHILE.

5. COMMENT: THE NEW WAGE MEASURE IS COSTLY. CAUAS HIMSELF ESTIMATED THAT TOGETHER WITH OTHER IMPROVEMENTS IN INCOME IT WOULD COST THE GOC 3.9 BILLION PESOS (\$236 MILLION), BUT HE OFFERED ADDITIONAL JUSTIFICATION THAT THE MEASURE WOULD INCREASE THE ABILITY OF THE GOC TO COMPETE WITH PRIVATE INDUSTRY FOR PROFESSIONAL EMPLOYEES.

6. PINOCHET TIMED HIS MEETING WITH THE PRO-GOVERNMENT LABOR LEADERS SO AS TO GIVE THEM A BOOST. ALTHOUGH HE HAD ANTICIPATED AN IMPROVEMENT IN THE WAGE SCALE IN HIS SEPTEMBER 11 SPEECH, HE MADE IT POSSIBLE FOR THE LEADERS TO ANNOUNCE THE CHRISTMAS BONUS AND THE RAISE IN THE LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 SANTIA 11645 081431Z

MINIMUM WAGE FOR GOVERNMENT EMPLOYEES, AND THUS GIVE THE APPEARANCE OF HAVING INFLUENCED THE GOVERNMENT IN ITS LABOR POLICY. THESE UNIONS ARE ALSO ENCOURAGED TO BELIEVE THAT THEY NOW HAVE A DIRECT CHANNEL TO THE PRESIDENT TO SOLVE THEIR PROBLEMS. IT LOOKS AS THOUGH THEY ARE SEEKING TO TAKE ADVANTAGE OF THIS CHANNEL BY FORMING AN UMBREALLA ORGANIZATION ALONG THE LINES OF THE INDEPENDENT "DINAMICOS," BUT BETTER ABLE TO DELIVER BENE-

FITS TO THE WORKERS. THE GOVERNMENT GAINS BY THEIR
ACTION: IN ALLOWING THE FORMATION OF OTHER LABOR
ORGANIZATIONS, IT MAY IMPROVE ITS INTERNATIONAL IMAGE
BY DEMONSTRATING THE DIVERSITY OF OPINION AMONG CHILEAN
LABOR GROUPS.
POPPER

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: LABOR UNION OFFICIALS, MINIMUM WAGE, GOVERNMENT PERSONNEL, MEETINGS
Control Number: n/a
Copy: SINGLE
Draft Date: 08 DEC 1976
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: CunninFX
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1976SANTIA11645
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D760454-0093
From: SANTIAGO
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1976/newtext/t19761262/aaaacbf1.tel
Line Count: 121
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION ARA
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 76 SANTIAGO 11535
Review Action: RELEASED, APPROVED
Review Authority: CunninFX
Review Comment: n/a
Review Content Flags:
Review Date: 15 JUL 2004
Review Event:
Review Exemptions: n/a
Review History: RELEASED <15 JUL 2004 by ShawDG>; APPROVED <25 OCT 2004 by CunninFX>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
04 MAY 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: GOC REWARDS TRADE UNION SUPPORTERS
TAGS: ELAB, CI, (PINOCHET UGARTE, AUGUSTO)
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006